

MEMORANDUM

TO: Commissioners Hardy, Hadley, Landis, Server and Ziegner
FROM: Jerry L. Webb, Director of Gas/Water/Sewer Division
DATE: April 19, 2006
RE: Utility Articles for Next Conference

The following Final Articles A, F and G are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after April 25, 2006.

“A” Final

The following new miscellaneous items will be eligible for final consideration at the next Commission Conference and based upon a review of them by staff members of the Commission, I recommend approval.

1. Cogeneration and Alternate Energy Production Facilities

The following utilities have submitted proposed tariffs for the purchase of power and energy from a qualifying facility as required in Appendix A, Rules and Regulations with Respect to Cogeneration and Alternate Energy Production Facilities, (170 I.A.C. 4-4.1), Cause No. 37494. Review of the rates and the support data reveals that these utilities have complied with the requirements of these Rules.

<u>Utility</u>	<u>Rate Schedule</u>	<u>Energy (\$/kWh)</u>	<u>Demand (\$/kW/month)</u>
AEP (I&M)	COGEN/SPP		
	Standard	0.0314	3.70
	Metering Charge (\$/mo)		
	Single Phase	0.75	
	Polyphase	0.95	
	TOD – On Peak	0.0363	3.70
	TOD – Off Peak	0.0279	3.70
	Metering Charge (\$/mo)		
	Single Phase	0.85	
	Polyphase	1.00	
IP&L	CGS Peak Period	0.0249	3.08
	CGS Off Peak Period	0.0141	3.08
NIPSCO	CG		
	Time of Use Meter		
	Summer - On	0.05431	3.99
	- Off	0.02121	“
	Winter - On	0.05312	“
	- Off	0.02541	“
	Standard Meter		
	Summer	0.03894	“
	Winter	0.03778	“

PSI Energy, Inc.	Rider No. 50	0.03427	3.85
SIGECO	CSP		3.26
	Annual On-Peak	0.04705	
	Annual Off-Peak	0.02443	

2. PSI Energy, Inc.

The utility has submitted for Commission review and approval under the Commission's thirty-day filing procedure modifications to a Contract for the Purchase of Energy from a Qualifying Facility between PSI Energy, Inc. ("PSI") and Wabash Valley Power Association ("WVPA").

PSI is obligated to purchase the energy output of the Twin Bridges facility, located in Danville, Indiana, from WVPA at the purchase power rates under the terms and conditions outlined in the contract. The contract was initially between PSI and Waste Management of Indiana, Inc. ("WMI") and was approved by the Commission on October 26, 1994. WVPA purchased the Twin Bridges facility from WMI on April 1, 2005 and the contract was assigned to WVPA.

Pursuant to Sections 8e and 8f of the contract, PSI has chosen to use PSI's "Standard Contract Rider No. 50 – Parallel Operation For Qualifying Facility" for the avoided cost rate of the contract (Exhibit D). In accordance with Section 8e, any change of the contract's avoided cost rate is subject to approval by the Commission. Exhibit D will be filed as part of the annual "Standard Contract Rider No. 50 – Parallel Operation for a Qualifying Facility" filing.

The utility is proposing the removal of Exhibit E, "Estimated Avoided Cost Rates", of the contract. As PSI has changed the methodology used to derive the avoided costs contained in Exhibits D and E, Exhibit E is no longer applicable.

The removal of Exhibit E, "Estimated Avoided Cost Rates", and the use of Exhibit D, "Standard Contract Rider No. 50 – Parallel Operation For Qualifying Facility" is submitted for Commission approval.

“F” Final

Revisions to the wholesale sewer cost tracking factor have been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in 170 IAC 8.6 have been met and approval is recommended.

Driftwood Utilities, Inc.

The utility purchases its sewer disposal services for its system from the City of Columbus. Effective on March 1, 2006, the City of Columbus increased their rates from \$1.16 per 1,000 gallons to \$2.22 per 1,000 gallons to fund capital improvements to their sewer system. Accordingly, Driftwood Utilities, Inc. is requesting approval of a new sewer tracking factor to recover the increase in the cost of purchased sewer disposal service. The cost of purchased sewer disposal service will increase by \$161,141.20 annually. The increased costs and the increase in taxes results in a tracking factor of \$2.41 per thousand gallons. This amount is the first tracking factor for the utility. Therefore, the final sewer tracker is \$2.41 per thousand gallons or \$7.23 per month for unmetered service.

The tariff page affected by this filing is:

Pages 1 of 2
Appendix A will be added.

"G" Final

Revisions to the Fuel Cost Adjustment factor have been reviewed by staff members of the Commission and found to be in compliance with the orders of the Commission. The requirements prescribed for these filings in Commission Order No. 35687 have been met and I recommend approval.

<u>Item</u>	<u>Utility</u>	<u>Change</u>	<u>Filing Number</u>
1.	Knightstown	Increase	87-06-04
2.	Straughn	Increase	111-06-04

Please indicate your consideration and action of all the preceding items on the appropriate lines provided below.

Jerry L. Webb
Director of Gas/Water/Sewer Division

I approve of all items as presented above:

I approve of all items as presented above except:

Not participating in the following items:

I, _____, Disapprove Items

No.

I, _____, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

Acting Executive Secretary